

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 JEFF HATCH-MILLER
3 CHAIRMAN
4 WILLIAM A. MUNDELL
5 COMMISSIONER
6 MIKE GLEASON
7 COMMISSIONER
8 KRISTIN K. MAYES
9 COMMISSIONER
10 BARRY WONG
11 COMMISSIONER

12 IN THE MATTER OF THE APPLICATION OF
13 ARIZONA-AMERICAN WATER COMPANY
14 FOR APPROVALS ASSOCIATED WITH A
15 TRANSACTION WITH THE MARICOPA
16 COUNTY MUNICIPAL WATER
17 CONSERVATION DISTRICT NUMBER ONE.

Docket No. W-01303A-05-0718

18 **RUCO'S COMMENTS**

19 The Residential Utility Consumer Office ("RUCO") provides these comments on
20 Arizona-American Water Company's ("Company") Revised Application filed on September 1,
21 2006.

22 RUCO has no objection to the Hook-Up Fees proposed in the Revised Application, but
23 RUCO does prefer Option 2 to Option 1, as it results in lesser accruals of AFUDC, which would
24 subsequently flow into customers' rates. Further, RUCO has no objection to the issuance of
an accounting order as requested. In addition, RUCO recommends that the Company clarify
what modifications would be necessary to the Hook-Up Fees in the event a third party
purchases capacity at the treatment plant, as the Company indicates is a possibility. Finally,
RUCO does not object to the Company seeking in its 2008 rate case adjustments to the Hook-
Up Fees and a mechanism to recover operation and maintenance costs for the White Tanks
Plant. However, RUCO requests that the Commission indicate in its Decision on this

1 application that it is not predetermining the appropriateness of any such modifications to the
2 Hook-Up Fee or the appropriateness of any mechanism to recover operation and maintenance
3 costs.

4 RESPECTFULLY SUBMITTED this 21st day of September 2006
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8 Scott S. Wakefield
Chief Counsel
9

10 AN ORIGINAL AND THIRTEEN COPIES
11 of the foregoing filed this 21st day
of September 2006 with:

12 Docket Control
13 Arizona Corporation Commission
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14

15 COPIES of the foregoing hand delivered/
mailed this 21st day of September 2006 to:

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